

Blaby District Council

Cabinet Executive

Date of Meeting	18 September 2023
Title of Report	Leisure Contract –Soft Play Equipment This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Nigel Grundy - Neighbourhood Services & Assets
Report Author	Business, Partnerships and Health Improvement Group Manager
Corporate Priority	A Place to Live

1. What is this report about?

- 1.1 To gain agreement for soft play equipment to be installed within half of the sports hall at Enderby Leisure Centre.

2. Recommendation(s) to Cabinet Executive

- 2.1 To support the installation of the soft play equipment at Enderby Leisure Centre.
- 2.2 Give delegated authority to the Business, Partnerships & Health Improvement Group Manager in consultation with the Neighbourhood Services & Assets Portfolio Holder to make any decisions in relation to timescales for the project to be delivered.

3. Reason for Decisions Recommended

- 3.1 The installation of the equipment is at no cost to Blaby District Council (BDC), helps to safeguard the contract management fee paid to BDC, improve the offer to residents, support Everyone Active to grow the business and could improve any future profit share generated.
- 3.2 To provide delegated decision making to allow the project to progress quickly.

4. Matters to consider

4.1 Background

Everyone Active is one of the largest leisure contractors managing over 100 contracts throughout the country. Everyone Active have been the Councils leisure centre contractor since 1995, with the current contract being awarded from 2019 to 2029 (with the potential to extend). The Contract covers both Enderby and Huncote Leisure Centres, it generates a significant income stream for the Council along with these facilities playing a key role in supporting our residents to keep healthy and well.

Since the current contract started in 2019 there has been a range of significant challenges for both Everyone Active and the Council to navigate, shown below:

- 2019 – New contract & successful delivery of £5m capital works
- Mar 2020 – Covid pandemic (Leisure Centres closed)
- Aug 2020 – Leisure Centres re-open
- Nov 2021 – Huncote Leisure Centre closes (landfill gas issues)
- Aug 2022 – Contract variation agreed (revised management fee)
- Oct 2022 – Huncote Leisure Centre re-opens (reduced hours)
- Current – increased energy costs and cost-of-living crisis

Throughout the above challenges both parties have worked together in a constructive manner to agree solutions and a way forward.

Everyone Active has approached the Council for further financial support in relation to the energy crisis, however, during our original contract negotiations Council officers successfully removed an energy benchmarking clause to safeguard the Council from energy price increases, so the request for financial support in relation to energy price increases from Everyone Active has been rejected (many other local authorities failed to remove this clause from their contracts and have had to provide further financial support).

Everyone Active have taken a proactive approach to mitigate the increased energy costs and the cost-of-living crisis by undertaking the following (all paid for by Everyone Active):

- New swimming pool cover - £40,000
- New energy efficient lighting at both centres - £40,000
- New inflatables for the swimming pool - £16,000
- New sound & lighting system for the pool hall - £14,000

4.2 Proposal(s)

Everyone Active are now seeking agreement to progress the installation of soft play equipment in half of the sports hall at Enderby Leisure Centre, design proposal attached at Appendix A.

This will;

- Utilise the sports hall space, reducing the usage of some activities including badminton but these will hopefully be transferred to other available times or Huncote Leisure Centre which has capacity.
- Generate more income than the existing activities.
- Provide a new service and attract new customers to the centre.
- Create a new offer for children's parties.

The proposal sees 50% of the existing sports hall retained for traditional activities, and 50% used for the new soft play facility. This is a £300k capital investment fully funded by Everyone Active, who forecast a pay-back within 3.5 years on their investment.

The benefits are:-

- Increased visits of 40,000 (based on usage figures from a similar investment in a contract at a neighbouring authority)
- Improving our family offer at Enderby Leisure Centre
- Improved customer satisfaction
- Increased usage of Huncote Leisure Centre for Badminton

The impacts are:-

- Loss of space for large events including BDC elections, however the Bowls Hall can accommodate future election requirements including access to IT.
- We will lose 50% of the existing sports hall provision.

In terms of other events where access to a large hall is required, they would be referred to other venues or catered for in the existing Bowls Hall space (when not in use). It should be noted that the value of having soft play (both as a daily service and in terms of income generation) outweighs having the occasional large event space.

In the future the potential development of a secondary school facility with a sports hall at Lubbethorpe will provide additional sports and community space.

Sport England's sports hall guidance recommends decisions should be based on:

1) Meeting local need:

Everyone Active have consulted with key groups and assessed that existing sports hall demand can be managed on a reduced footprint and through spare capacity at Huncote Leisure Centre.

2) Sustainability in the long-term through clear, logical business and operational planning:

Everyone Active are proposing Soft Play to not only widen the children & family offering but to increase direct income from Soft Play and secondary spend income, such as café sales. This will support the contract to move towards a stronger financial footing (any profit generated through the contract is shared with BDC).

The Councils Sport & Physical Activity service will continue to have an excellent balance of both leisure facility and community-based services, ensuring all residents have the opportunity to be healthy and active, such as:

- Enderby & Huncote Leisure Centres
- Steady Steps service (community sessions for people at risk of falls)
- Just Programme (a wide range of dedicated sessions that encourage women & girls to be active)
- Exercise Referral Scheme (12 weeks bespoke activity for patients referred by a health professional)
- Cardiac Rehabilitation Scheme (for patients referred by a health professional)
- Escape Pain Programme (for people with back pain)
- PARS (Positive Activities Referral Scheme for vulnerable young people)
- Community Walks Programme (various led walks across the District)
- Go Jauntly App (downloadable app that provides local walks for residents to follow)
- Back-to-Sport sessions (to re-engage people who use to play sport)
- 12 Heritage walks (covering the whole District)
- Active Blaby Service (residents can access hundreds of opportunities to get active on our website or contact the Active Blaby team for support in finding the right activity for them)

As such it is considered that the loss of the activity space for this soft play investment would not be a significant impact on the provision of health and wellbeing activities within the District.

The total proposed investment from Everyone Active for this project is £300,000, this is in addition to the £110,000 recently invested (as identified in 4.1). This demonstrates Everyone Active's continued commitment to the leisure contract with BDC that still has 5.5 years left to run.

Leisure centres must continue to invest to ensure their services and products remain attractive and relevant to ever changing customer demand and to maintain their competitive advantage.

4.3 Relevant Consultations

Everyone Active has undertaken extensive consultations with all the user groups linked to this project, offering each group alternatives for their activities/sessions. Alongside this, for a period of two weeks, consultation was undertaken with visitors to the leisure centre, and they also wrote out to 2,000 of their users. In terms of large events the leisure centre have had very few enquiries, if they do receive an enquiry then they would offer half of the hall or Huncote Leisure Centre. The feedback from these can be seen in the consultation document at Appendix B.

4.4 Significant Issues

There are no significant issues relating to Human Rights, Human Resources, Equalities, climate change and legal. SLM are able to provide the Council with positive outcomes in terms of Public Health Inequalities and the social return on investment. The activity across the two leisure sites has resulted in £759,199 of estimated social value (this being the positive health & social impact of people using our facilities as calculated by Sport England based on usage figures (this equates to £88 of social value generated per person using our leisure centres. This figure is likely to increase if Soft Play is provided. The soft play equipment will also expand the currently limited family offer, supporting the reduction of childhood obesity in the district, get more people visiting Enderby Leisure Centre – with the potential of them going on to use other services on site.

5. What will it cost and are there opportunities for savings?

- 5.1 There is no cost to Blaby District Council for this project. The £300,000 required to purchase the equipment will be financed by Everyone Active. They have also agreed that at the end of the leisure centre contract with BDC the equipment will be left in situ and will belong to the local authority.

6. What are the risks and how can they be reduced?

- 6.1 The table below identifies some key risks:

Current Risk	Actions to reduce the risks
Ability of Everyone Active and their contractors to deliver the project on-time and on-budget.	Everyone Active have a good track record of delivering projects at both Enderby and Huncote Leisure Centres. Any project overspends will be at Everyone Active's risk.
Everyone Active withdraw the investment / project due to the financial climate.	Everyone Active see this project as a way to mitigate the financial challenges and to stay ahead of the competition.

Any potential impact on existing users	Everyone Active have consulted with relevant user groups and ensured any potential negative impacts are identified and mitigated.
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7. Other options considered

7.1 The following options have been considered:

Not to support the project – this is rejected as the leisure centres need to develop and grow to remain competitive, financially viable and to continue improving the offer to residents.

8. Environmental impact

8.1 There may be an environmental impact in terms of more people visiting the facility and travelling to it by car but the Council continue to work with the centre on behaviour change campaigns.

9. Other significant issues

9.1 No other significant issues.

10. Appendix

10.1 Appendix A – Everyone Active Soft Play Proposal

10.2 Appendix B – Summary Consultation Feedback

11. Background paper(s)

11.1 No background papers.

12. Report author's contact details

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